



State of Connecticut

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Testimony on HB 5377, An Act Concerning the Prevailing Wage

March 8, 2016

By Senator Toni Boucher

Chairman Gomes, Chairman Tercyak, Ranking Member Hwang, Ranking Member Rutigliano, and other distinguished members of the Labor and Public Employees Committee. Thank you for the opportunity to testify on HB 5377, An Act Concerning the Prevailing Wage

Connecticut's prevailing wage statutes comprise one of the many unfunded mandates with which our towns must comply. These laws require towns to pay a higher wage for public works projects, further constraining their budgets and leading to higher taxes for town residents. The current law sets the prevailing wage threshold at \$400,000 for new construction projects and \$100,000 for renovations.

HB 5377 would modify those thresholds. I support the part of the bill that raises the prevailing wage thresholds, for both new construction and renovation, to \$4 million and \$2 million respectively. This would substantially reduce the number of public projects that qualify for prevailing wage, allowing our towns to conserve funds for other public services, and easing the tax burden on their residents.

If the scope of this bill were limited to raising the prevailing wage thresholds, I could support it unreservedly. However, HB 5377 also requires any business organization to pay prevailing wage rates to any person performing the work of a mechanic, laborer or worker when the state provides financial assistance to fund the project. The bill defines financial assistance broadly enough to account for all form of loans, cash payments, extensions of credit, guarantees, equity investments, tax abatements or any other form of financing. I oppose this provision of the bill, since it would lead to businesses paying prevailing wage rates on any project partially or fully funded by state assistance.

This is one more proposal that says to businesses, "don't come to Connecticut." More than ever, the people who work in Connecticut and who call our state home find themselves caught between higher municipal taxes on the one hand, and higher business costs on the other. In order to change this, we need to pursue solutions which will give our towns and our businesses a freer hand in allocating funds.

I urge the committee to support raising the prevailing wage threshold, and to reject the application of the prevailing wage to all business receiving state funding for their projects.

Thank you for your time and attention.